Frequently asked questions about school construction/renovation and bonds

What ASD projects are on the April 2008 bond proposal?
The district has two bond propositions. One would add to and renew Chester Valley and Sand Lake elementary schools. Funding is also provided for creating a master plan for future renewal of Girdwood K-8 School. A second proposition funds traffic safety, roof repair, mechanical and electrical upgrades, and other building system renewal projects districtwide.

Why are Chester Valley and Sand Lake elementary schools the district's highest priority?
The elementary schools have been on the district's Capital Improvement Plan priority list for several years and the district considers them to be in urgent need of repair.

Built in 1964, Chester Valley Elementary has had no major renovations or expansion since 1967. The school does not meet current elementary educational specifications in two areas: it lacks a gymnasium and a fully functional art room. The school's mechanical and electrical systems are maintenance intensive and do not include energy saving components.

Sand Lake Elementary was built in 1958, following renovations and additions in 1959, 1964 and 1987, the school now has 25 classrooms. At 27 percent beyond its capacity, Sand Lake is the district's largest elementary school. The overcrowded school needs one kindergarten and two regular classrooms. It also needs an art room. Because of the popularity of Sand Lake's Japanese Immersion program, there are many more students being dropped off by parents. Traffic improvement measures are needed to reduce congestion and improve safety.

Where can I find out more detailed information about the school bond propositions?
A complete description of each project on the bond proposal is provided in Anchorage School Board memorandum # 135 (2007-08). The memo can be accessed through our Web site at www.asdk12.org.

General facilities and maintenance questions

How does the district maintain its schools?
The district recognizes that it is a "forever" owner of school facilities – unlike businesses and home owners. This responsibility requires continual preventative maintenance and repair programs. The district takes care of its schools in three ways: routine maintenance, renewal projects that extend the life of the school, and renovation projects that bring the school up to current districtwide educational specifications and building codes.

This year, $22.6 million is allocated through the district's regular operating budget for the maintenance and repair program. This money covers items such as painting, repair, replacing broken glass, fixing locks, plowing snow, installing traffic signs, repairing fences, maintaining plumbing, heating, electrical and roofing systems, etc.

Why did the district let conditions become so critical before doing something about it?
The district takes care of its facilities through daily maintenance (funded through the operating budget), renewal projects (funded through bonds) and legislative appropriations and grants.

The district does not bond for routine, day-to-day maintenance. When a roof leaks, the operating budget takes care of the repair. However, when the roof requires constant repair, it may be more cost effective to replace it, which is a capital construction cost. Bonds can be sold to finance capital construction projects because these projects renew the school and extend its useful life. Repair keep the roof operable during the original 20 years of the roof's life; a new roof extends the life of the building another 20 to 30 years.

The district has 99 facilities, more than half of which are at least 25 years old. Roof, boiler, heating and other systems will not last forever. Through normal wear and tear they reach the "critical" condition where it is no longer cost effective to repair them. At that point, systems require replacement and buildings need renewal. The need for ongoing funding of building system renewal projects is increased by the large number of schools that are more than half-way through their useful life.

What is the expected life of the various components of a school building?
Ongoing maintenance and upkeep can extend the life of a school. Building materials and equipment are selected with regard to cost and durability. For example, carpet that will last about 20 years is typically selected over cheaper carpet which will have to be replaced more often and end up being more expensive over time. The expected life of school components is shown below.

- Roof, 20-30 years
- Plumbing valves, 15 years
- Paint, 7 years interior, 10 years exterior
- Asphalt, 20 years
- Hockey rinks, 10 years
- Carpet, 20 years
- Fencing, 20 years
- Floor tile, 20 years
- Lights, 20 years
- Boiler, 30 years
- Cabinets, 25 years
- Fans, 30 years
- Intercoms, 20 years
- Gym floors, 30 years
- Fire alarms, 20 years
- Playgrounds, 20 years
- Ceiling tiles, 20 years
- Door hardware, 25 years
- Window treatment, 20 years

By the time a building is 25-30 years old, all major components should have been replaced.

Are building codes for schools different from commercial buildings?
Yes, schools have a different occupancy rating than other structures. Schools must be constructed to meet much higher seismic, fire and life safety standards to protect children in the event of fire, earthquake or other emergencies. This construction is more expensive than for commercial buildings. Materials used in school construction must be of higher durability and quality than standard buildings in order to withstand the heavy use and potential abuse. These materials typically have higher initial costs but lower long term costs when considering reduced maintenance and repair over time.

General bond questions

Is there state reimbursement for these bonds?
Yes, the State has approved 60 percent reimbursement for the addition and renovation of Chester Valley and Sand Lake Elementary Schools and for the design planning of Girdwood K-8 School. The districtwide renewal projects are approved for 70 percent reimbursement from the state. You can find out more about the State of Alaska's funding program for school construction at www.eed.state.ak.us/facilities/facilitiespl.html.

What is the total cost per year for the district's bonds on $100,000 assessed property value?
If voters approve both school bond propositions, the total cost to retire the debt is $4.27 per year per $100,000 of assessed property value, after state reimbursement. If there were no state debt reimbursement, the cost to taxpayers would be $11.27 per year per $100,000 of the assessed property value.

How much existing bond debt does the school district pay off annually?
The school district makes annual payments on principal and interest for school bonds approved by voters. Over the next five years, the district will pay off between $47 and $53 million of bonds each year.

What is the total amount of existing bond debt for the district?
The district currently has $794 million of existing bond debt principal. A variety of state reimbursement plans combined pay 54 percent of the total debt.

What is the mill rate (used to calculate property taxes) for the operation of schools and for the debt service on existing bonds?
The 2007 mill rate is 1.25 mills. Here is a chart of the last five years' mill rates and the estimated mill rate for the proposed 2007-08 school year budget.

School Year	General Fund	Debt Service	Total
2003-03	6.22	1.59	7.81
2003-04	6.04	1.33	7.37
2004-05	5.99	1.26	7.25
2005-06	6.19	1.40	7.59
2006-07	5.79	1.34	7.13
2007-08	5.54	1.25	6.79

How does the district determine projects for bond proposals?
The last successful bond passage was in April 2007. Following that success, the district committed to hold this year's bond package to the same amount or less than the amount of school bond debt retired last year, approximately $44 million.

Bond issue projects come from the district's approved six-year Capital Improvement Plan (CIP). The district uses several factual sources to determine which projects are suitable for this Plan: condition survey of the facility's site, major systems (such as mechanical and electrical) and finishes (such as flooring and walls); assessment of facility's ability to

meet districtwide educational specifications; demographic history and projections; and input from the community on their educational goals and needs. Once they have gathered this information, the facilities department makes recommendations to the superintendent and administration. They, in turn, give direction on the nature of future improvements to the facilities department. Facilities summarizes the project scopes and develops estimates of costs to complete the projects.

The project is then placed on the draft CIP for review by the Capital Request Advisory Committee (CRAC) which is comprised of public representatives from all school attendance areas and the community at large. CRAC meets regularly, reviews facility needs and makes bond recommendations to the superintendent. CRAC makes recommendations to the superintendent.

The superintendent makes a recommendation to the Anchorage School Board, which then holds public hearings. Following board approval, the request is forwarded to the Anchorage Assembly. The school board and district administration provide extensive information about the proposed projects to the assembly. The assembly holds public hearings to gather testimony and more information. The assembly has authority to change proposed bond issue projects before they approve them to be placed on election ballots. Both the school board and assembly hear public testimony prior to approving bond propositions.

Why does the school district have bond propositions on the ballot every year?
The district maintains 93 schools and six support facilities totaling more than 7.5 million square feet. We spend more than $22 million in our annual general operating budget for day-to-day repairs and preventative maintenance but major building components eventually wear out and need to be replaced. Older schools can also reach a point where the entire structure becomes functionally obsolete and requires major renovation. With 99 school facilities in our care, repairs and renovations are needed at a handful of schools every year.

What will the district do if the bonds do not pass?
The district will continue to use the facilities as they currently exist and maintain them to the best of its ability. These facilities may not be as functional, user friendly or energy efficient.

How much is the district spending on this information campaign?
In January, the school board approved $45,000 for the district to provide the public with factual information on its proposed bond projects. In accordance with the municipality's ethics ordinance, school district staff cannot advocate for or against the bond propositions. The purpose of the district's campaign is to provide information so that citizens can make educated, responsible decisions at the voter booth.

Separate from the district is the "School Bonds Yes!" political organization which can advocate for bonds. The district does not provide money to this organization.